



Improving Fuel Economy and Air Quality on the I-5 Corridor

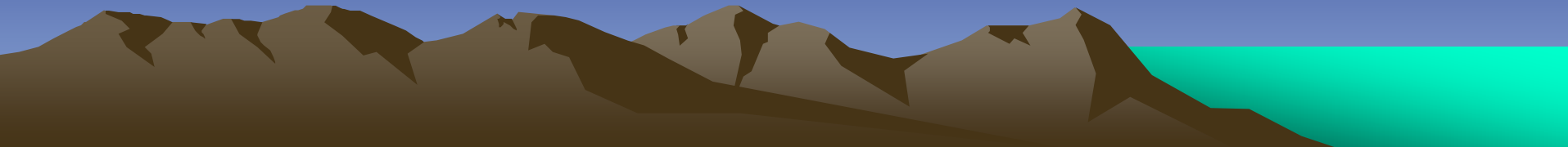
Sharon Banks, CEO

sharon@cascadesierrasolutions.org



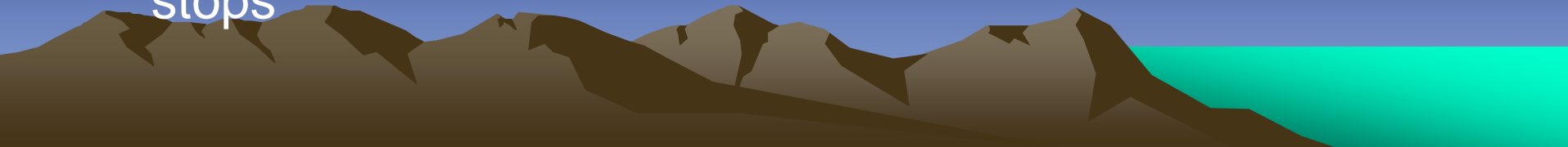
Outline

- What is CSS?
- The *SmartWay* Upgrade
- The Goal – Impact - Barriers
- Partners
- Concept of Showcase Centers
- Products
- The *Everybody Wins* Lease - Risk
- Administrative Costs
- Progress
- Locations -Timing
- Questions

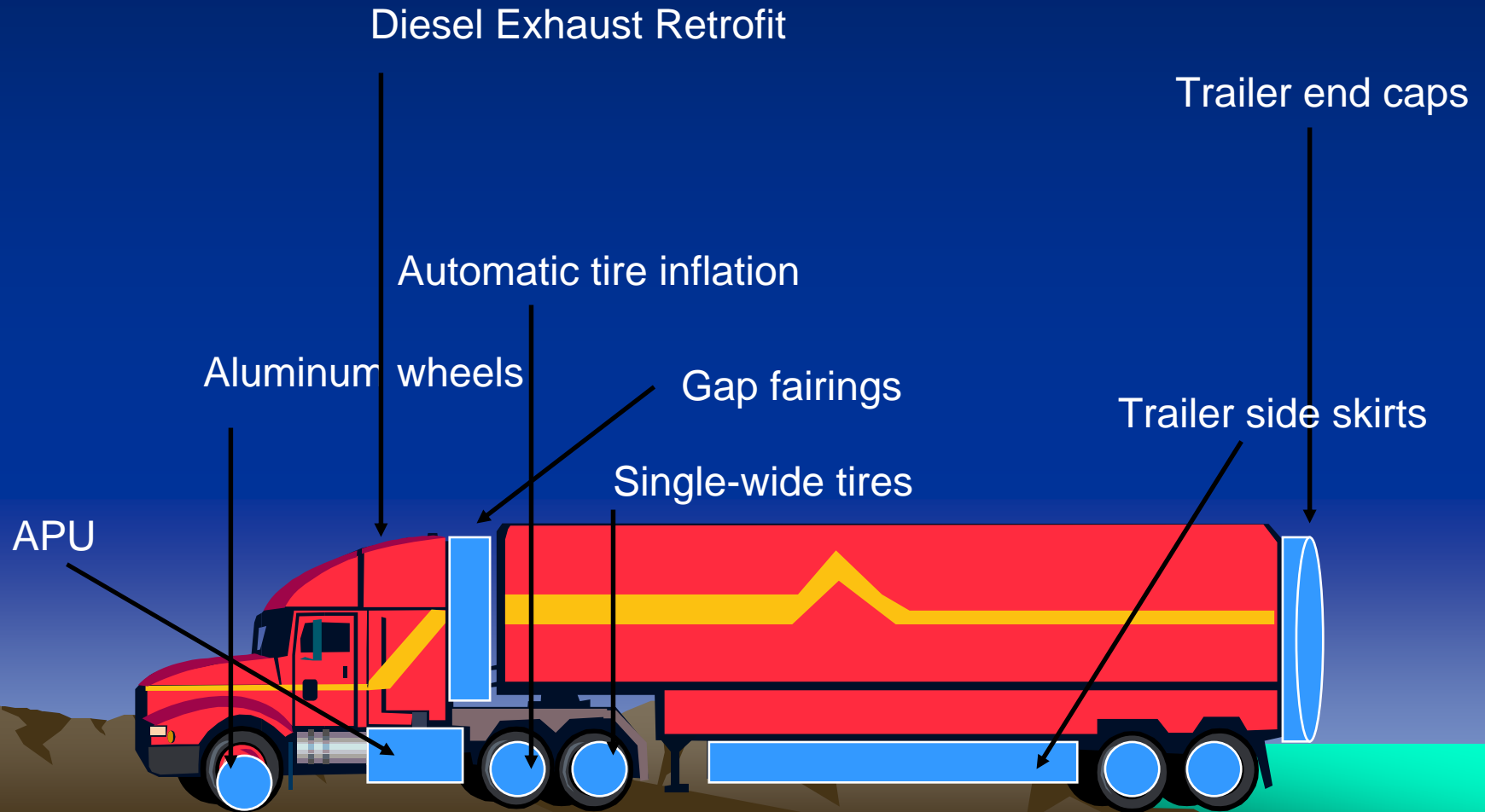


What is CSS?

- An organization of public and private partners, working together to:
 - Save fuel
 - Improve air quality
 - Slow climate change
- Non-regulatory, Non-profit
- Coordinates grants, tax credits and other incentives for truck owners & fleets
- Promotes and provides low-cost financing for fuel saving technology in outreach centers co-located with truck stops

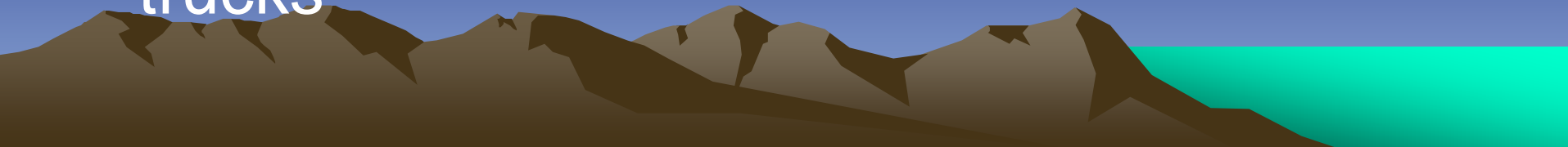


Truck with *Smart Way* Technology



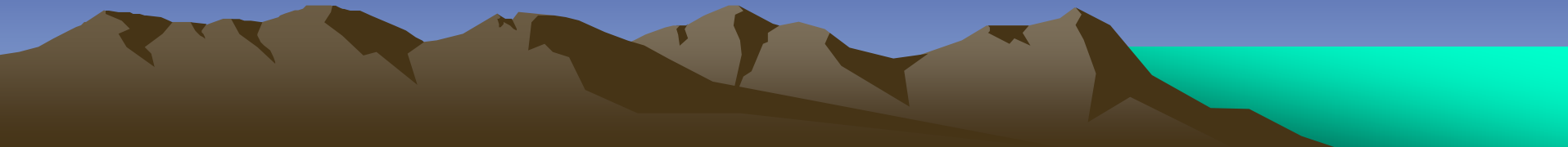
The Goal

- To upgrade 5,000 trucks per year with EPA's SmartWay upgrade kits
- Each truck can save up to 5,000 gallons of fuel per year
- Estimated West Coast market = 30,000 trucks



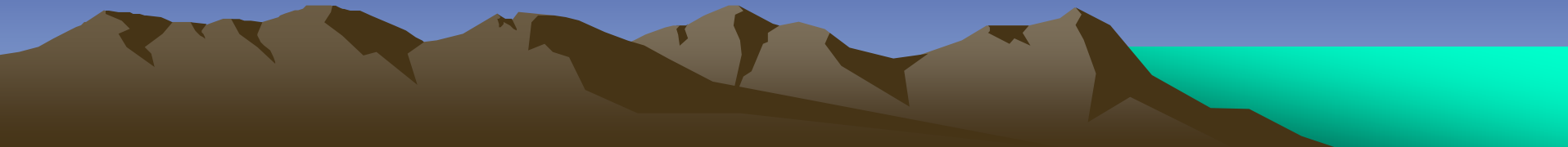
Potential Impact – Each Year

- Upgrading 30,000 trucks would save:
 - 150 million gallons of fuel
 - 625 tons of diesel particulate matter
 - 22,500 tons of oxides of nitrogen-NO_x
 - 1,500,000 tons of carbon dioxide
 - \$450 million in fuel savings



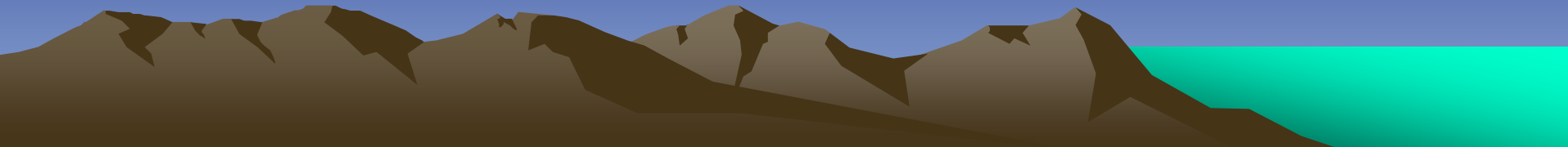
CSS Breaks Down Barriers

- The *Awareness* Barrier
- The *Capital Cost* Barrier
- The *Regulatory* Barrier



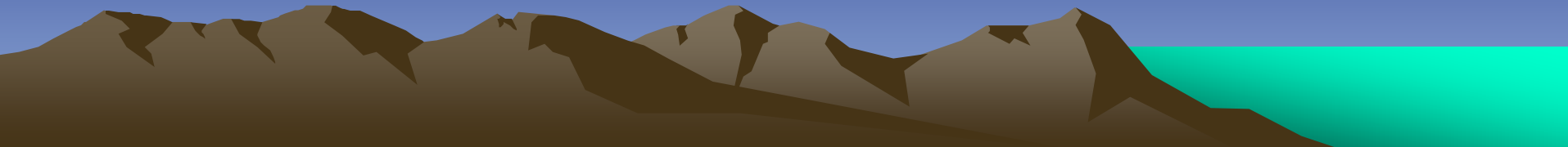
CSS Partners

- EPA
 - *SmartWay* Transport
 - West Coast Diesel Collaborative
- State & Local Air, Energy & Transportation Agencies
- Trade Associations
- Technology Manufacturers & Dealers
- Truck stops



The CSS Showcase

- Located at truck stops
- Showcases multiple technology solutions
- Is staffed with technical sales and finance personnel
- Assists truck owners and fleets in selecting equipment and applying for incentives
- Provides an immediate distribution channel for emerging products
- Provides lease to own financing



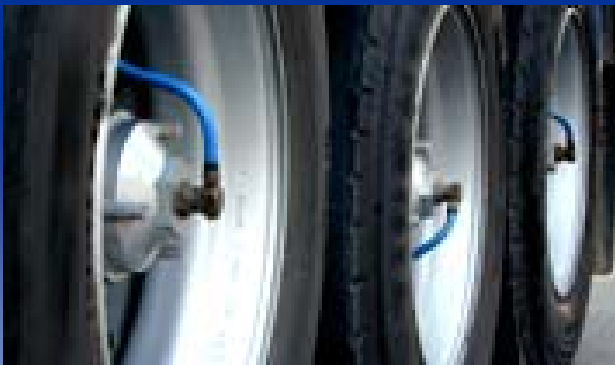
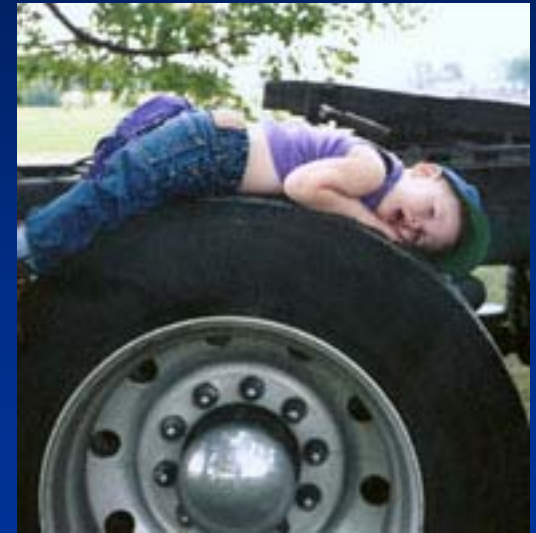
APUs



Aerodynamics



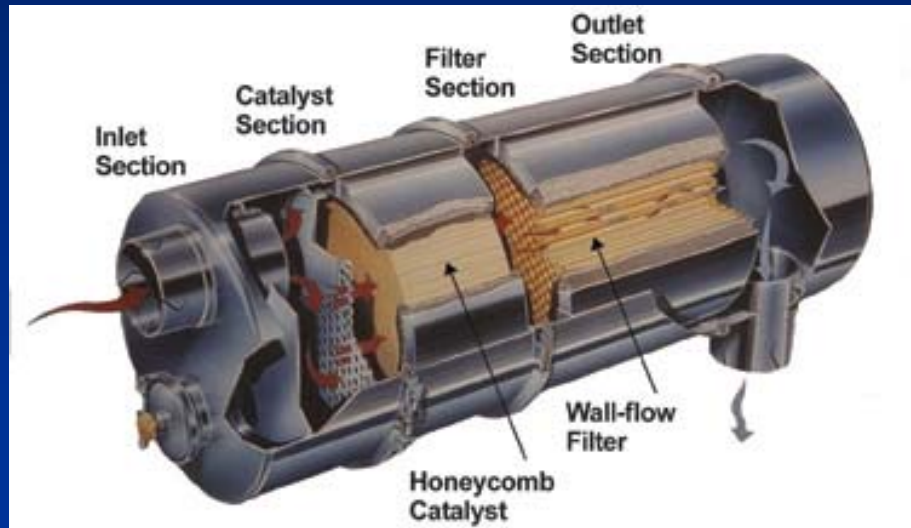
Tires & Wheels



Shore Power Hookups



Exhaust Retrofits

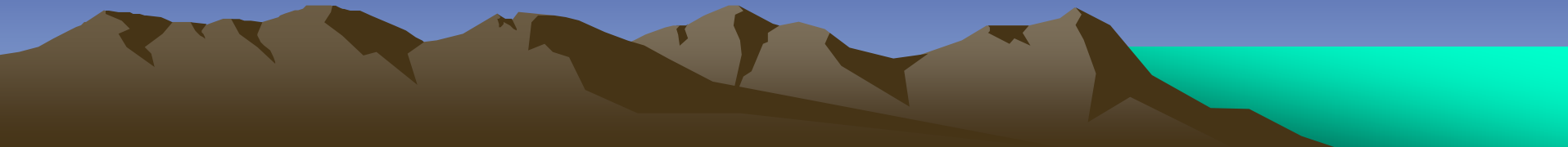


Heaters



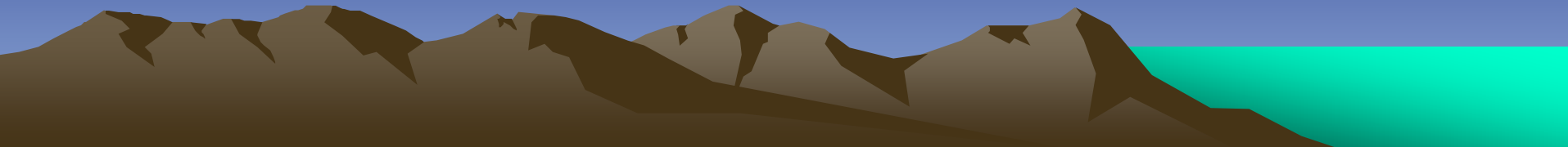
The *Everybody Wins* Lease

- Capitalized by State Department of Energy funds (\$2 Million)
- Department of Transportation Funds (\$3 Million)
- Currently the funds are for Oregon trucking firms or trucks that operate in Oregon
- CSS is working with groups in Washington and California and private lending institutions to secure additional financing
- We are also applying for a federal loan guarantee for \$200 million



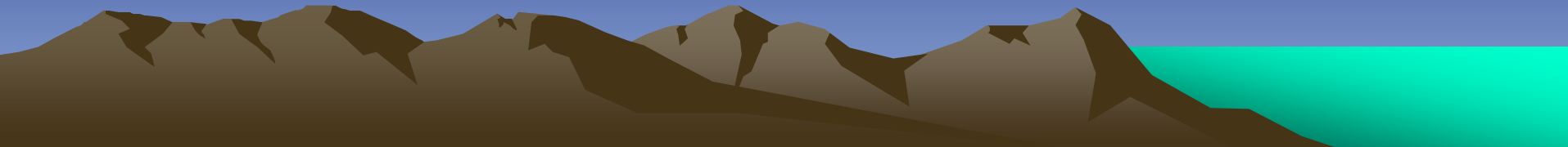
The *Everybody Wins* Lease

- Pays the cost of the equipment
- Pays for installation
- Adds a factor for risk (6.25%)
- Passes on the low interest rate (5.2%)
- Carries the lease over 60 months
- The trucker saves \$1250 per month in fuel for a \$350 payment



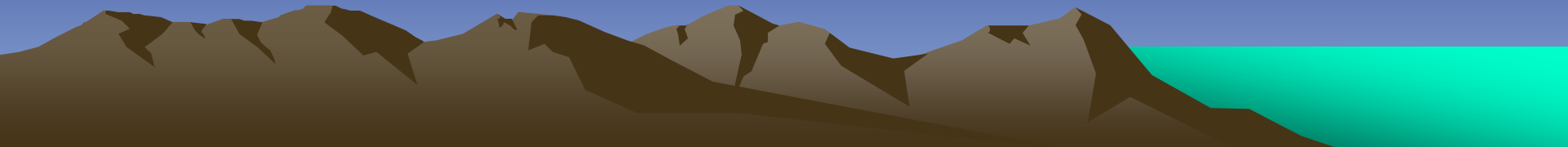
Administrative Costs

- Manufacturers and dealers pay CSS 6% of sales we generate
- For Oregon – we earn a 35% tax credit that is sold for cash to an investor with a tax liability
- We are working on developing a high quality CO2 offset program using GPS technology to track miles traveled
- Any money in excess of our needs will be added to the revolving loan fund to create a perpetual fund to upgrade trucks



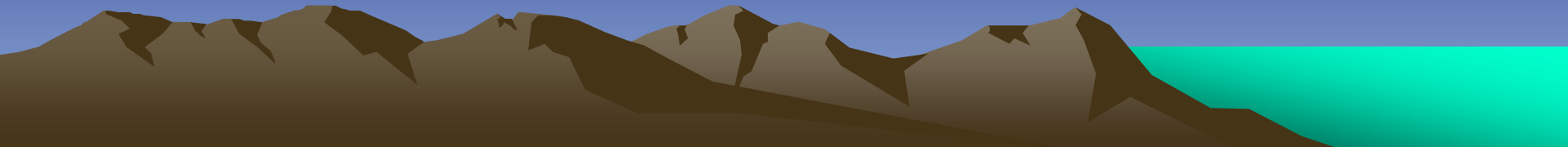
Managing Risk

- Superior Customer Service
- CSS Fleet – Feedback Loop
- Communicate what to do in case of bankruptcy
- Make the dealers stand behind their products
- Use professional credit screening procedures

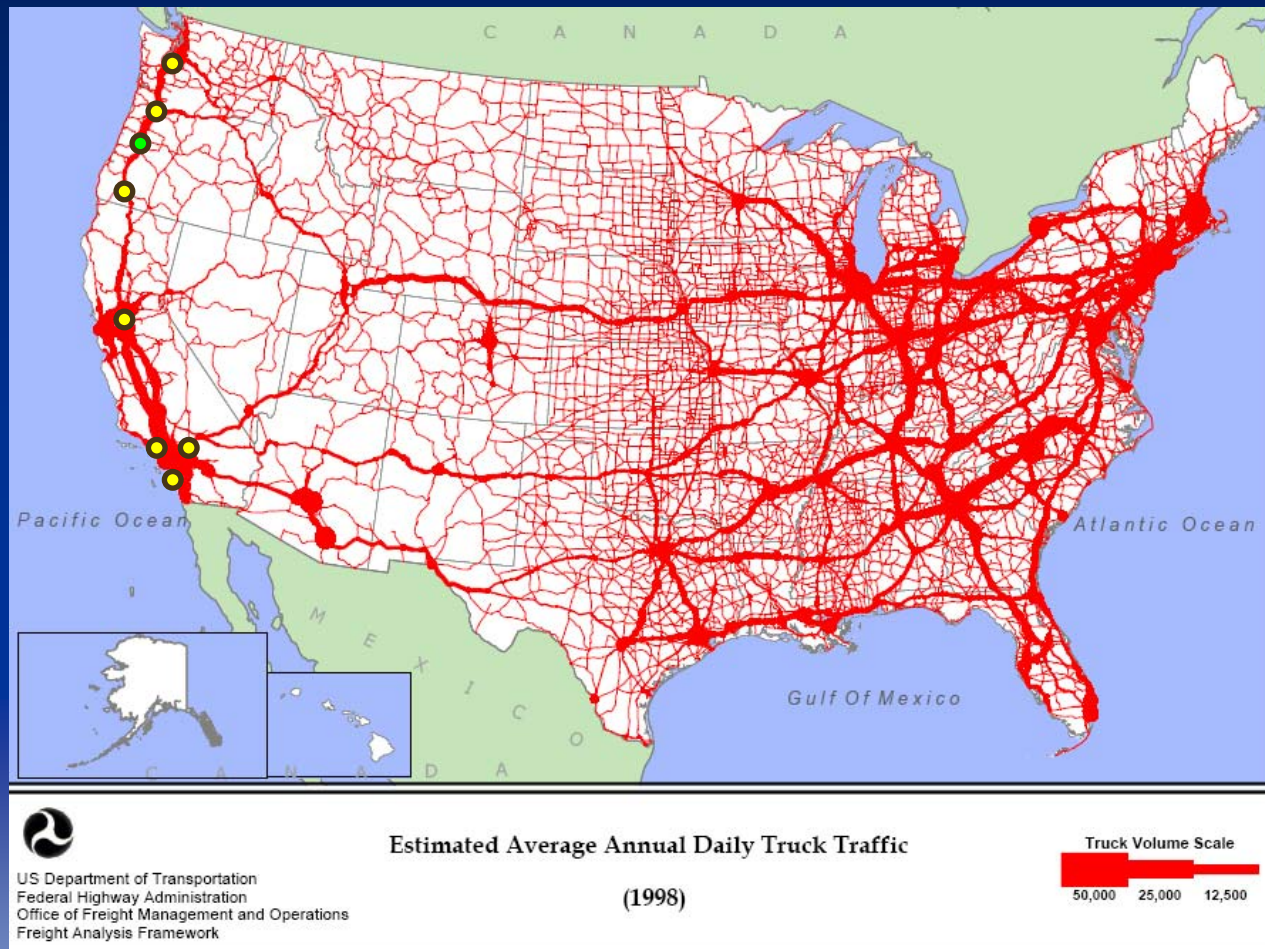


Progress

- 350 APUs installed
- 3 defaults
- Recovered all three and resold equipment
- \$3.3 million in sales – less than \$5,000 in losses
- Loss reserve has \$350,000

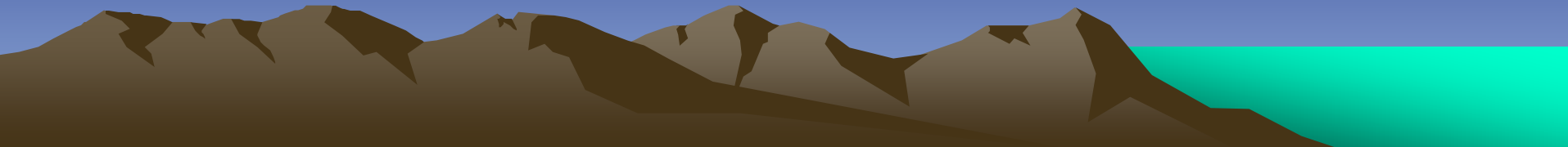


Initial Locations



Timing

- January, 2007
 - Opening of HQ office in Coburg, Oregon
- July, 2007
 - Grand Opening – Portland, Oregon & Sacramento, California
- July, 2008
 - Grand Opening – Medford, Seattle, Los Angeles (3)



Questions

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